



BOROUGH OF RAMSEY

33 NORTH CENTRAL AVENUE
RAMSEY, NEW JERSEY 07446

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November 6, 2018

Congressman Josh Gottheimer
65 Harristown Road
Glen Rock, NJ 07452

Re: Resolution 181-2018

Dear Congressman Gottheimer:

Enclosed please find a copy of our resolution 181-2018 that was approved at our Mayor and Council meeting on September 26, 2018.

The governing body of the Borough of Ramsey would like you to urge Congress to fully reinstate the SALT deduction without limitation retroactive to January 1, 2018.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "S. Richards".

Sherry Richards
Deputy Borough Clerk.

COUNCIL OF THE BOROUGH OF RAMSEY

RESOLUTION NO. 181-2018

Resolution by: W. JONES

Seconded by: J. VERDONE

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Whereas, Congress in the Tax Cuts and Jobs Act of 2017 limited the State and Local Tax (SALT) deduction to a maximum of \$10,000 through 2025 and is giving serious consideration to permanently limiting the federal income tax deduction for state and local taxes in legislation this fall; and

Whereas, this deduction, which has been in place for more than 100 years, was heavily utilized by taxpayers of the Borough of Ramsey and other taxpayers of New Jersey, and

Whereas, the state and local tax deduction is a fundamental principle of federalism and without it our residents are faced with double taxation as they are forced to pay federal income taxes on the taxes they pay to state and local governments, in other words, “a tax on a tax”; and

Whereas, the New Jersey Association of Counties (NJAC) and other governmental organizations in impacted states also strongly oppose the limitation of the (SALT) deduction; and

Whereas, the \$10,000 SALT deduction cap fails to take into account the higher cost of living in New Jersey, the 300-year-old structure of our county and municipal governments, and its negative economic effects; and

Whereas, the IRS is changing the rules regarding charitable deductions which were available to address the SALT deduction cap and is rendering the use of a charitable deduction to mitigate the SALT deduction cap impossible; and

Whereas, the IRS has reported in 2016 that 218,290 federal income returns from Bergen County used the SALT deduction and that the average SALT amount claimed was \$24,783, which is \$14,783 higher than the current \$10,000 cap, and

Whereas, the SALT deduction cap results in a significant net tax increase for New Jersey residents and especially for residents of Ramsey; and

Whereas, the SALT deduction cap is also negatively impacting the real estate market in our area; and

Whereas, a study by the nonpartisan Institute on Taxation and Economic Policy (ITEP) states that New Jersey taxpayers make up just 2.8% of personal federal taxpayers but paid 4.5% of personal federal income taxes before the SALT deduction cap and will pay 4.7% of personal federal taxes with the SALT deduction cap; and

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Whereas, a study by the nonpartisan Rockefeller Institute of Government determined that even before the passage of the Tax Cuts and Jobs Act that because of the high level of federal taxes New Jersey residents pay the state gets back only 74 cents for each federal tax dollar it sends to the federal government and ranks dead last among the 50 states on return of federal dollars; and

Whereas, that the return of Federal tax dollars to New Jersey declines even further with the SALT deduction cap; and

Now, therefore be it resolved that the governing body of the Borough of Ramsey County of Bergen, State of New Jersey calls upon Congress to fully reinstate the SALT deduction without limitation retroactive to January 1, 2018 and that a copy of this resolution be forwarded to the President of the United States, Senate Majority Leader Senator Mitch McConnell, Representative and House Speaker Paul Ryan, Senator Robert Menendez, Senator Cory Booker, Congressman Josh Gottheimer, Senatorial Candidate Robert Hugin and House of Representatives Candidate John McCann as well the Towns in Northwest Bergen County.

	YES	NO	A B S T A I N	A B S E N T
DILLON, D. MAYOR				
GUTWETTER, M.				X
JACHZEL, V.				X
JONES, W.	X			
KILMAN, P.	X			
VERDONE, J.	X			
WEBER, H.	X			

I CERTIFY THAT THIS IS A TRUE COPY OF A RESOLUTION
PASSED AND APPROVED AT THE REGULAR COUNCIL
MEETING OF THE MAYOR AND COUNCIL HELD ON _____

MEREDITH BENDIAN, MUNICIPAL CLERK

SEPTEMBER 26, 2018

PASSED AND APPROVED


CLERK


MAYOR